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TAGS: [CASC](#) [PGOV](#) [PREL](#) [RO](#)
SUBJECT: BENYATOV ARREST UPDATE

REF: A. A) BUCHAREST 0013
[1](#)B. B) 06 BUCHAREST 1870

SENSITIVE BUT UNCLASSIFIED. PLEASE HANDLE ACCORDINGLY

[1](#)1. (SBU) Summary: U.S. citizen Vadim Don BENYATOV, a Managing Director of Credit Suisse First Boston (CSFB) based in London, remains in preventive detention in Bucharest. The Romanian Office of the Prosecutor General is continuing its investigation of his alleged involvement in acts of "economic espionage" connected to the privatization of several Romanian state-owned enterprises. The current detention order for Benyatov expires on January 15 but may be renewed. Consul General, American Citizens Services (ACS) Chief and ACS locally employed staff (LES) have attended all hearings to date, at Benyatov's request. Local media are reporting extensively on the case. Meanwhile, Credit Suisse officials have been relatively quiet in the past several weeks; although they contacted the local Swiss embassy, they have not sought meetings with us here. End Summary.

[1](#)2. (SBU - Privacy Act Protected): As reported in Ref A, on January 3, two Vice Consuls from post's consular section visited Benyatov. Asked specifically if he had any concerns or complaints to raise, he stated only that he was asking prison authorities to give him the same thyroid replacement medication he was taking before his detention, not the version administered by the detention center doctor. He asked that the Embassy continue to do all it could on his behalf, suggesting lower ranking staff appear at routine hearings and the CG appear at hearings only at key junctures. He said his legal team might soon contact the Embassy with a list of Romanian laws and procedures they believe the Romanian Government has violated in this case. On January 9 and 10, ACS Officer attended court hearings regarding Benyatov's defense team's request to overturn the existing detention order and to ask the presiding judge to recuse herself. The judge in the case denied the defense team's request for her recusal and set a new date of January 12 for a ruling on the motion to release Benyatov. (Note: Benyatov has signed a Privacy Act Waiver allowing discussion of his circumstances only with family, friends, his employer and Members of Congress. End Note.)

[1](#)3. (SBU) Meanwhile, the local Romanian media continue to follow the case. Newspaper reports contain revelations about, and purported transcripts of, conversations that Benyatov and other co-defendants in the case reportedly had with Romanian government officials, including the former Minister of Economy. Benyatov, however, plays a less prominent role in many of the media reports, with co-defendant Bulgarian citizen Stamen Stanchev being the main focus.

[1](#)4. (SBU) On December 6, the DCM and Consul General had a 45-minute phone call with CSFB Chief Executive Officer for

Europe, Africa and the Middle East, based in London. They told him that the Romanian lead prosecutor on the case had offered, through the Legal Attache, to meet with CSFB representatives to discuss the case. To post,s knowledge, this offer remains active but CSFB has not yet chosen to act on it.

¶15. (SBU) Embassy officers have had no direct communication with Credit Suisse since December 21, when the Romanian Supreme Court ruled to keep Benyatov in detention. On January 3, the Swiss Deputy Chief of Mission in Bucharest inquired about the status of the case, observing at the same time a drop-off in communication from Credit Suisse in recent weeks. An aide of European Commission Vice President Frattini called the DCM on January 9 to request Embassy's review of the case. While avoiding discussing information about Benyatov associated with the Privacy Act, Charge gave her a readout on the current public information about the case and stressed that Embassy is following the case closely.

¶16. (SBU) On December 6, the DCM and Consul General had a 45-minute phone call with CSFB Chief Executive Officer for Europe, Africa and the Middle East, based in London. They told him that the Romanian lead prosecutor on the case had offered, through the Legal Attache, to meet with CSFB representatives to discuss the case. To post,s knowledge, this offer remains active but CSFB has not yet chosen to act on it.

¶17. (SBU) Comment: While this case proceeds through a lengthy investigation phase, post continues to provide active support to Benyatov, as a U.S. citizen, closely monitoring his treatment while in Romanian custody to make sure that it is fully in accordance with Romanian law and practice. We also continue to follow the handling of the case in the broader political and economic context. While we welcome as a matter of policy Romanian government efforts to combat corruption, we also want to ensure that this case is handled in a fair, transparent and impartial basis.
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